

	<u>Ancillary Use</u>	
Switchboard and Attendant Console (Telephony Components)	<p>Description: The operation of a PBX or Centrex system requires the use of a switchboard or attendant console for the transfer of incoming calls to the appropriate extension when systems are not equipped with Direct Inward Dialing. The switchboard or attendant console may include Direct Station Selection (DSS), which provides an easy means for transferring calls.</p> <p>Eligibility: One switchboard or attendant console, with or without Direct Station Selection, qualifies for discount with each eligible PBX or Centrex system.</p>	
System Improvements and Upgrades (None)	<p>Description: A system improvement or upgrade provides enhanced functionality to an existing product or configuration of products.</p> <p>Eligibility: Improvements and upgrades to eligible services are eligible for discounts. Memory upgrades, for example, to eligible file servers are eligible, but memory upgrades would not be eligible in end-user workstations.</p>	
Tape Backup (Data Protection)	<p>Description: Tape Backup units provide copies of computer files on magnetic tape, for protection against a catastrophic failure. Tape backup technologies include QIC, DAT, 8mm, DLT, AIT, and ADR.</p> <p>Eligibility: Tape backup units are eligible when used as part of an eligible server. They are not eligible when part of a PC, or workstation. A cartridge included with a tape backup may be provided as an integral component of the backup unit, if the cartridge is part of the standard product configuration and provided at no additional cost. The cost of purchasing additional or separate tapes is not eligible.</p>	
Telephone, Telephone	<p>Description: Telephones, also known as telephone</p>	Not Eligible

Instruments (End-User)	<p>sets, telephone instruments, digital voice terminals, and voice terminals are the end-user equipment used to transmit and receive communications.</p> <p>Eligibility: Telephones and end-user telephone accessories are not eligible for discount.</p>	
Terminal Adapter (Interfaces, Gateways, Antennas)	<p>Description: A Terminal Adapter (TA) is a device that connects a computer to an external digital communications line, such as an ISDN line.</p> <p>Eligibility: Terminal adapters are eligible if used to connect to an eligible digital transmission service.</p>	
Terminal Server (Computers)	<p>Description: A Terminal Server is a specialized server that connects multiple terminals into a network. Traditionally, terminal servers were used to connect multiple "dumb" terminals into network resources, and today are additionally used to provide increased connectivity and performance for older computer workstations.</p> <p>Eligibility: Eligibility for Terminal Servers is based on whether the server is being put to an eligible use, based on the definition of eligible and ineligible server types as provided in the Special Eligibility Conditions indicated below. For example, if a Terminal Server is being used to provide Internet access to computers or terminals that would not otherwise have Internet access at the performance level desired, then the use may be eligible. If a Terminal Server is being used to store and provide ineligible software applications, then the use is ineligible. Terminal services used for multiple purposes, some eligible and some not eligible, must be cost allocated.</p> <p>Special Eligibility Condition: <u>Network File Servers</u> <u>Cost Allocation</u></p>	
Test Equipment	Description:	Not

(None)	<p>Test Equipment is used to test hardware, software, cable continuity, telecommunications links, etc.</p> <p>Eligibility: Test equipment is not eligible.</p>	Eligible
Transceiver (Interfaces, Gateways, Antennas)	<p>Description: A transceiver is a device that transmits and receives analog or digital signals. The term is used most frequently to describe the component in local area networks (LANs) that actually applies signals onto the network wire and detects signals passing through the wire. For many LANs, the transceiver is built into the network interface card (NIC), while others require an external transceiver.</p> <p>Eligibility: A separate transceiver is eligible for discount.</p>	
Two-Way Radio (End-User)	<p>Description: Two-way radios are wireless end-user devices used to communicate, generally over short distances.</p> <p>Eligibility: Two-way radios are end-user devices and are not eligible for discount.</p>	Not Eligible
TX-to-FX Converter (Interfaces, Gateways, Antennas)	<p>Description: A TX-to-FX converter, also known as a copper-to-fiber converter, is a device that converts a copper connection to a fiber optic connection.</p> <p>Eligibility: A TX-to-FX converter is eligible for discount. See also the entry in this section for media converter.</p>	
Uninterruptible Power Supply / Battery Backup (Data Protection)	<p>Description: An Uninterruptible Power Supply (UPS), also called a battery backup, is a device that provides backup electric energy to a piece of equipment in the event of a power failure.</p> <p>Eligibility: A UPS is eligible if provided for use with an eligible component. In addition, a UPS Interface Expander (which allows a UPS to provide power management to multiple devices) and a Relay I/O Module (which establishes UPS protection for equipment not pre-</p>	

	<p>designed for a UPS interface) are eligible if used for eligible equipment. A UPS system used as protection for both eligible and ineligible components must be cost allocated. Please see the Special Eligibility Condition below for further information.</p> <p>In addition, no funding will be provided for UPS systems that can provide continued backup power for substantial periods in excess of that necessary for basic power protection.</p> <p>Special Eligibility Condition: <u>Cost Allocation</u></p>	
Video Equipment (Video Components)	<p>Description: Video Equipment involves a range of capabilities and technologies that provide moving images on television screens or computer monitors.</p> <p>Eligibility: Video Equipment used to transport video information all the way to individual classrooms or public areas of a library is eligible for discount. Video Equipment used for storage or caching is not eligible. Video Equipment used by end-users is not eligible. Please see the Special Eligibility Condition below for further information.</p> <p>Special Eligibility Condition: <u>Video Components</u></p>	
Virtual Private Network (VPN) Components (Data Distribution)	<p>Description: A Virtual Private Network (VPN) uses encryption and/or tunneling services in order to provide highly secure communication over the public Internet or in some cases over point-to-point links.</p> <p>Eligibility: Virtual Private Network components are eligible for discount if they provide basic and reasonable security protections to prevent unauthorized access to the information, software, and systems of an applicant's eligible components.</p>	
Voice Compression Module (Telephony Components)	<p>Description: A Voice Compression Module allows voice and fax traffic to share the same lines as data and LAN traffic.</p>	

	<p>Eligibility: A Voice Compression Module is an eligible component of Internal Connections when it is installed in an eligible component.</p>	
Voice Interface Card (Telephony Components)	<p>Description: Voice Interface Cards (VIC) are usually components of a router or PBX system that interface with internal systems and the Public Switched Telephone Network. Some examples of VICs are FXO Cards, E&M Cards, and FXS Cards.</p> <p>Eligibility: Voice Interface Cards are eligible for discount.</p>	
Voice Mail Equipment (Telephony Components)	<p>Description: Voice Mail equipment allows users to receive voice messages left by telephone callers, and may have other features such as message forwarding.</p> <p>Eligibility: Centralized voice mail equipment is eligible. However, end-user products such as answering machines are not eligible. In addition, a voice mail service may be requested in either the Telecommunications Services category of service (if the service provider is a telecommunications carrier) or the Internet Access category of service (for any service provider). See the entry for Voice Mail Service in the Miscellaneous section of this document for further information.</p>	
Voice/Fax Network Module (Interfaces, Gateways, Antennas)	<p>Description: A Voice/Fax module is an access product that enables the transmission of multiprotocol data--voice, fax and LAN--over frame relay, leased line, DDS or ISDN services.</p> <p>Eligibility: Voice/Fax modules are eligible when used with eligible equipment.</p>	
Voice/Video over IP (VoIP) Components (Data Distribution)	<p>Description: Voice/video over IP (VoIP) components refers to equipment that utilizes the TCP/IP suite of protocols to provide voice and/or video communications.</p> <p>Eligibility:</p>	

	<p>Otherwise eligible Internal Connections components may include technology for providing real-time or near real-time voice or video over IP (VoIP). However, see the entry for Voice over IP Service in the Miscellaneous section of this document regarding VoIP services requested as Telecommunications or Internet Access.</p>	
Web Server (Computers)	<p>Description: A Web server is a computer file server used to provide information on an open basis to all users of the Internet, and can also be used to provide web-based software applications and other web-based functions.</p> <p>Eligibility: A web server used to provide content to users of the Internet is eligible for discount. A Web server used for ineligible functions such as providing software applications, database functions, or storage of end-user files is considered an Application Server, Database Server, or Archive Server, respectively, and therefore is not eligible. Please see the Special Eligibility Condition below for further information.</p> <p>Special Eligibility Condition: <u>Network File Servers</u></p>	
Wire and Cable Maintenance (Technical Services)	<p>Description: Wire and Cable Maintenance Plan refers to the repair, replacement and maintenance of customer owned inside cabling.</p> <p>Eligibility: The maintenance of eligible internal cabling is eligible for discount as a component of contracted maintenance support. See the entry for Maintenance and Technical Support for further information.</p>	
Wire Manager (Cabling/ Connectors)	<p>Description: Wire managers are wire restraints to house or arrange wiring and cabling. They can be aluminum or plastic and may be rack-mountable.</p> <p>Eligibility:</p>	

	Wire managers are eligible when used with eligible wiring and cabling.	
Wireless Local Area Network (Data Distribution)	<p>Description: A Wireless Local Area Network provides the functionality of a local area network using wireless components rather than cabling.</p> <p>Eligibility: A Wireless Local Area Network has the same eligibility as other Local Area Networks. Hubs, access points, antenna and other components that provide a wireless Local Area Network capability are eligible for discount. See the entries for "Local Area Network," "Antenna," and "Network Interface Card" in this section for additional information.</p> <p>Internal Connections funding will not be provided for wireless components that are configured for ineligible Wide Area Network capability, i.e., for data connectivity across a public right of way. See the Special Eligibility Condition below for further information.</p> <p>Special Eligibility Condition WAN vs. LAN Components</p>	
Wireless PBX Adjunct (Telephony Components)	<p>Description: A Wireless PBX Adjunct functions in conjunction with a Private Branch Exchange, to provide wireless capability to the station end.</p> <p>Eligibility: A Wireless PBX Adjunct is eligible for discount when used within a single eligible school or library campus. However, wireless capability that is configured for Wide Area Network use, e.g., across a public right of way, is not eligible as Internal Connections. See the Special Eligibility Condition below for further information.</p> <p>Special Eligibility Condition: WAN vs. LAN Components</p>	
Workstation (Computers)	<p>Description: A computer workstation is a personal computer that may operate in a stand-alone environment, or may be connected to a host computer as part of a network.</p>	Not Eligible

	<p>Eligibility: Workstations, personal computers, or other end-user components are not eligible for discount. If the keyboard, mouse, display, or other features of a computer workstation are used by end-users, computer workstations are not eligible, even if the workstation can also function in the capacity of a file server.</p>	
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Basic Maintenance of Internal Connections

Basic Maintenance ensures the necessary and continued operation of eligible internal connection components at eligible locations.

A technical support contract that provides more than basic maintenance is not eligible for E-rate discounts. Funding for basic maintenance is NOT subject to the provisions indicated in the document "Two Out of Five Rule' for Internal Connections," available in the SLD Reference Area of the USAC web site. All requests in this category will be treated as recurring services with services to be delivered within the July 1 to June 30 Funding Year.

<p>Maintenance and Technical Support (Technical Services)</p>	<p>Description: Basic maintenance services are "necessary" if, but for the maintenance at issue, the connection would not function and serve its intended purpose with the degree of reliability ordinarily provided in the marketplace to entities receiving such services without e-rate discounts. Basic maintenance services do not include services that maintain equipment that is not supported or that enhance the utility of equipment beyond the transport of information, or diagnostic services in excess of those necessary to maintain the equipment's ability to transport information.</p> <p>Eligibility: Basic maintenance is eligible for discount only if it is a component of a maintenance agreement or contract for eligible services or products, and these maintenance services are cost effective. The agreement or contract must specifically identify the eligible products or services covered, including product name, model number, and location.</p> <p>The following products and services are generally eligible: repair and upkeep of eligible hardware, wire and cable maintenance, basic technical support and configuration changes.</p> <p>The following products and services are ineligible: on-site technical support (i.e., contractor duty station at the applicant site) when off-site technical support can provide basic maintenance on an as-</p>	
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	needed basis, services such as 24-hour network monitoring and network management, help desks (that provide a comprehensive level of support beyond basic maintenance of only eligible components), and technical support contracts that are more than basic maintenance.	
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Miscellaneous

The service category for entries in this section should reflect the same category as the product or service being installed or maintained--Telecommunications Services, Internet Access, or Internal Connections.

Product Type (Function)	Description	Eligibility
Broadcast Services (Miscellaneous)	<p>Description: Broadcast services provide access to the general public to video and/or audio information from over-the-air radio or television stations, including satellite broadcast stations.</p> <p>Eligibility: Services that provide access to broadcast content, cable television content, or similar general-purpose point-to-multipoint information are not considered Telecommunications Services and are therefore not eligible for discount.</p>	Not Eligible
Change Fees (Miscellaneous)	<p>Description: Change fees are charges imposed for the modification of an existing service.</p> <p>Eligibility: Costs incurred in modifying an existing eligible service to another eligible service are eligible.</p>	
Configuration Charges (Miscellaneous)	<p>Description: "Configuration" places a product or service into operation, or modifies the operation of an existing product or service.</p> <p>Eligibility: Charges for the configuration of eligible hardware and software are eligible.</p>	

<p>Construction Costs (Miscellaneous)</p>	<p>Description: Construction costs involve the creation, modification, or repair of physical facilities, such as the removal, creation, repair, or replacement of walls and doorways.</p> <p>Eligibility: Construction costs generally are not eligible. However, minor construction incidental to component installation, that restores a facility to pre-installation conditions, is eligible. Asbestos removal is not eligible.</p>	
<p>Contingency Fee (Miscellaneous)</p>	<p>Description: A contingency fee is an additional potential cost included in a price quotation, contract, or agreement to accommodate unplanned factors that might arise once an installation is underway.</p> <p>Eligibility: In cases in which the scope of the work make it difficult to determine the specific costs beforehand, a service provider may include a reasonable contingency fee, but such a contingency fee is eligible only if it is a regular business practice of the service provider.</p>	
<p>Dark Fiber (Miscellaneous)</p>	<p>Description: Dark fiber refers to fiber optic cable for which the service provider has not provided modulating electronics, i.e., they provide "dark" or "unlit" fiber. In some cases, this communication capacity will be leased to organizations that will add their own modulating electronics.</p> <p>Eligibility: The FCC has not resolved whether the provision of unlit dark fiber is a telecommunications service. Pending resolution of this issue, it is not eligible for funding. While a dark fiber service is ineligible, a fiber service that is lit by the service provider can be eligible for funding. See the entry "Digital Transmission Services" in the Telecommunications Services section of this document, and the Special Eligibility Condition below, for further information.</p> <p>Special Eligibility Condition:</p>	<p>Not Eligible</p>

	<u>Lease of Wide Area Network Infrastructure</u>	
Duplicative Services (Miscellaneous)	<p>Description: Duplicative services are services that deliver the same functionality to the same population in the same location during the same period of time.</p> <p>Eligibility: Any service that is duplicative of a service already requested or being used by the applicant will not be eligible. Services that provide necessary bandwidth requirements consistent with an applicant's Technology Plan, such as multiple T-1 lines when appropriate for the population served and the services to be received, are not duplicative.</p>	Not Eligible
Extended Warranty (Miscellaneous)	<p>Description: Extended warranties are those that cover periods of time both within and outside the current funding year.</p> <p>Eligibility: Eligibility is limited only to that portion of the warranty within the current funding year. Extended or multi-year warranties must be prorated so only the portion of the warranty applicable to the current funding year is funded. However, if a manufacturer's multi-year warranty is included in the price of the equipment for all customers without a separately identified cost, proration is not required.</p>	
Finance or Interest Charges (Miscellaneous)	<p>Description: A finance charge, or interest, is a charge assessed for borrowing.</p> <p>Eligibility: Finance or interest charges assessed for loans to fund the lease or purchase of products or services are not eligible.</p>	Not Eligible
Freight Assurance Fees (Miscellaneous)	<p>Description: Freight assurance fees are fees assessed to the purchaser for the guarantee of safe delivery to their premises of goods, i.e., they provide shipping insurance.</p> <p>Eligibility: Freight assurance fees are eligible for discount if associated with eligible components.</p>	
Late Payment	Description:	Not Eligible

Charges/Fees (Miscellaneous)	<p>Late payment charges and fees are assessed when a customer fails to pay a bill within an allotted time period.</p> <p>Eligibility: Late payment charges and fees are not eligible.</p>	
Lease Fees (Miscellaneous)	<p>Description: A lease fee is a charge for the use of goods that are not owned by the applicant, i.e., rent.</p> <p>Eligibility: Lease fees charged for the use of eligible services and products are eligible. However, any finance charges, associated with leasing or otherwise, are not eligible.</p>	
Per Diem (Miscellaneous)	<p>Description: Per diem is a dollar amount designated to a vendor for daily expenses such as lodging and food. It may or may not include travel time.</p> <p>Eligibility: Per diem expenses are eligible for funding if a contract with a vendor for eligible services specifically stipulates or allows for per diem, and it is cost effective. It is not eligible if it is not part of a contract or bid.</p>	
Performance Bond (Miscellaneous)	<p>Description: A Performance Bond, also known as a Bid Bond, is a legal obligation, generally obtained by the vendor or contractor from a third party, that guarantees the terms of the contract or agreement are met. In the event of default or failure to meet the terms, the bond would be used to complete the contracted work.</p> <p>Eligibility: Performance Bonds are not eligible.</p>	Not Eligible
Programming (Miscellaneous)	<p>Description: Programming refers to the creation of software.</p> <p>Eligibility: Programming for the creation of software functionality, or the enhancement or maintenance of customized software, is not eligible. However, charges for configuration of eligible operational software may be eligible. See the entry Maintenance and Technical Support in the Basic Maintenance of Internal</p>	Not Eligible

	Connections section of this document for further information.	
Shipping Charges (Miscellaneous)	<p>Description: Shipping Charges are the charges associated with the delivery of products from their point of origin to the customer premises.</p> <p>Eligibility: Shipping Charges are eligible for discount when they are for the delivery of eligible products or services.</p>	
Taxes, Surcharges, and Other Similar Charges (Miscellaneous)	<p>Description: Taxes, surcharges, and other similar charges refer generally to additional fees that are a necessary component of the cost of a product or service.</p> <p>Eligibility: Federal taxes, state taxes, and other similar, reasonable charges incurred in obtaining eligible Telecommunications Services, Internet Access and Internal Connections are eligible.</p>	
Technical Services (Miscellaneous)	<p>Description: Technical services provide service provider expertise for the implementation or maintenance of technology.</p> <p>Eligibility: Technical services are eligible if they are tied directly to, and required for, installation, basic configuration, and initial operation of eligible products and services. Services associated with initial planning, such as a determination of the technology and components to be deployed, are not eligible. Please see the Special Eligibility Condition below for further information about eligibility of costs for Design & Engineering, Installation, Maintenance & Technical Support, Project Management, Training, Consulting Services, and Personnel Costs.</p> <p>Special Eligibility Condition: <u>Technical Services</u></p>	
Termination Charges (Miscellaneous)	<p>Description: Termination charges are fees assessed for the removal or discontinuation of a product or service.</p> <p>Eligibility: Charges for termination liability or other charges not involved with obtaining or</p>	Not Eligible

	initiating eligible services are not eligible.	
Travel Time (Miscellaneous)	<p>Description: Travel time refers to the time required for service provider personnel to travel to and/or from locations necessary to provide eligible services.</p> <p>Eligibility: The cost of travel to and from a work site is eligible for discount only if a contract with a vendor for eligible services stipulates, or allows, travel time, and it is cost effective. It is not eligible if it is not part of a contract or bid.</p>	
Video Services (Miscellaneous)	<p>Description: Video services involve the transmission of visual images.</p> <p>Eligibility: Services that provide video transmissions may be provided under the eligibility requirements for Telecommunications Service or Internet Access. Cable and broadcast television, however, are not eligible for discount.</p>	
Voice Mail Service (Miscellaneous)	<p>Description: Voice Mail Service is an information service that allows users to receive voice messages left by telephone callers, and may have other features such as message forwarding.</p> <p>Eligibility: Voice mail services provided for one or more telephone lines are eligible for discount. Voice mail service need not be provided by a telecommunications carrier to be eligible. Voice mail service may be requested in either the Telecommunications Services category of service (if the service provider is a telecommunications carrier) or the Internet Access category of service (for any service provider). In addition, voice mail equipment may be requested in the Internal Connections category of service. However, end-user products such as answering machines are not eligible for discount.</p>	
Voice/Video over IP (VoIP) Service (Miscellaneous)	<p>Description: Voice / Video over IP (VoIP), IP telephony, and related service offerings all employ a technology to transmit voice</p>	Not Eligible

	<p>conversations or video over a data network using the Internet Protocol.</p> <p>Eligibility: IP-enabled services are the subject of an open proceeding at the FCC to determine, among other things, whether certain types are Telecommunications Services. Pending FCC action with respect to specific services, such services are not eligible for funding.</p>	
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Special Eligibility Conditions	
Title:	Condition:
Ancillary Use	<p>If a product or service includes ineligible functionality, then, in general, the proportionate cost of this functionality must be removed from funding requests through a cost allocation process. However, in certain limited cases, if any ineligible functionality is not significant and strictly ancillary to the principle uses of the product or service, the full product or service may be eligible for discounts.</p> <p>The following conditions are considered when evaluating whether ineligible functionality is ancillary: (1) a price for the ineligible component cannot be determined separately and independently from the price of the eligible components, and (2) the specific package remains the most cost-effective means of receiving the eligible services, without regard to the value of the ineligible functionality. In addition, the applicant may not be specifically seeking one or more of the ineligible components.</p> <p>Funding requests that include only a single price for components that contain both eligible and ineligible functionality, and fail to meet the requirements for Ancillary Use, are fully ineligible. Therefore, applicants are encouraged to utilize a cost allocation process to remove ineligible functionality whenever feasible. For further information, see <u>Cost Allocation Guidelines for Products and Services</u>.</p>

Cost Allocation	<p>Products and services available in the commercial marketplace may contain both eligible and ineligible components. However, E-rate discounts can be provided only for products and services that are eligible under program rules. Cost Allocation is a process whereby an applicant provides a fair delineation of the eligible and ineligible components of a product or service, so that partial funding can be provided.</p> <p><i>In general, funding requests that include only a single price for components that contain both eligible and ineligible functionality will be deemed fully ineligible. See the web document "Cost Allocation Guidelines for Products and Services."</i></p>
Cost Allocation for File Servers	<p>File servers and other components can be used simultaneously for multiple purposes, some of which are eligible and some not eligible. Cost allocation is required to remove any ineligible functionality from funding requests. However, the exact usage of a file server or other product with multiple uses may be difficult to determine before the product is installed and utilized. A simplified method of cost allocation is available to accommodate this situation. It is based on a simple averaging process of the different functions of the product that is described more fully in the web document "Cost Allocation Guidelines for File Servers and Other Components" in the SLD Reference Area of the USAC web site.</p>
Digital Transmission Services	<p>Leased data circuits for voice, video, and/or data that connect an eligible school or library facility to other locations beyond the school or library, including an Internet Service Provider, are eligible for discount.</p> <p>Technologies employed may include, but are not limited to: Asynchronous Transfer Mode (ATM), Digital Subscriber Line (DSL, ADSL, SDSL, HDSL, IDSL, VDSL), DS-1, DS-2, DS-3, Frame Relay, Integrated Services Digital Network (ISDN, BRI, PRI), OC-1, OC-3, OC-12, OC-N, Satellite, Switched Multimegabit Data Service (SMDS), T-1, T-2, T-3, Fractional T-1, and Wireless.</p> <p>Data circuits that provide voice, video, or data connectivity exclusively within school or library grounds are not eligible for funding as a Telecommunications Service, but may be eligible as Internal Connections.</p>
Eligible Users and Locations	<p>Eligible users and locations are those that are involved with activities that are integral, immediate, and proximate to the education of students or the provision</p>

	<p>of library services to patrons. The presumption is that activities on school or library property meet this standard. Some offsite telecommunications activities may also meet this standard, such as a school bus driver using a cell phone, connectivity to a mobile library van, and paging service for teachers on field trips.</p> <p>The term "school or library property" includes a District Office of similar facility, but does not include businesses or organizations separate from a school or library organization. For example, the facilities of a business that has contracted with a school to provide bus service do not constitute a location eligible for E-rate support.</p> <p>Employees of a school or library with a normal duty station at an eligible location are eligible users. Employees of a non-school or non-library activity, even if located on school or library property, such as a state government office with responsibilities other than education or library services (e.g., a division of motor vehicles), are not eligible users.</p>	
Functional Categories for Internal Connections	Cabling/ Connectors	Cabling and connectors for the distribution of voice, video, and data within eligible locations are, in general, eligible.
	Circuit Cards/ Components	Circuit cards and other components that work in or with an eligible component, and provide an eligible function, are in turn eligible.
	Computers	Computers used as file servers or similar centralized functions can be eligible if the use is necessary to transport information all the way to individual classrooms or public areas of a library. However, end-user workstations are not eligible.
	Data Distribution	Components used to distribute information from telecommunications or Internet Access facilities, all the way to individual classrooms or public areas of a library, are eligible.
	Data Protection	Some types of data protection components are used to ensure continued operation of eligible equipment, and can be eligible.
	End-User	End-user equipment is not eligible.
	Intercom and Voice Paging	Intercom and voice paging equipment does not facilitate transport of telecommunications or Internet Access information, and is not eligible.

	Interfaces, Gateways, Antennas	Interfaces, gateways, and antennas that are used as Internal Connections to transport telecommunications or Internet Access information all the way to individual classrooms or public areas of a library are eligible.
	Miscellaneous	See individual entries for eligibility information.
	None	No category is indicated-- see the individual descriptions for eligibility information.
	Software	Operating system software that is required for operation of an eligible component, and e-mail software, is eligible. End-user software is not eligible.
	Storage Devices	Devices used to store eligible software and files are eligible for discount, but devices used to store ineligible software and files are not eligible.
	Technical Services	The assistance of contractor personnel, when tied directly to the provision of an eligible product or service, can be eligible. See the individual entries for qualifying information. See also the entry for Technical Services in the Miscellaneous section of this document.
	Telephony	Centralized telephony components that are an essential element in the transport of information within eligible locations are eligible. End-user components are not eligible.
	Video	Centralized video components that are an essential element in the transport of information within eligible locations are eligible. End-user components are not eligible.
Internet Access with Ineligible Features		<p>Some Internet Access services may include features that are not themselves eligible, such as specialized content, caching services, and/or filtering services. In general, funding requests that provide only a single price for a product or service that contains both eligible and ineligible functionality are fully ineligible. However, cost allocation may be used to provide separated pricing for the eligible and ineligible components.</p> <p>In addition, in certain limited cases, an eligible product or service can include ineligible components on an ancillary basis. See the Special Eligibility Condition for Ancillary Use for additional information about the conditions and limitations of the Ancillary Use approach.</p>

Lease of Wide Area Network Infrastructure	<p>Facilities that provide a Wide Area Network may only be leased by applicants--not purchased. Limitations apply to the reimbursements that are available for initial implementation costs (leased equipment and its installation) of service provider infrastructure. The <u>Wide Area Network Fact Sheet</u> has full details about exclusive access limitations, amortization requirements, and other eligibility conditions for lease of Wide Area Network functionality.</p>
Network File Servers	<p>A file server is a shared computer on a local area network, and can be eligible or ineligible for discounts, depending on how it is used. Eligible servers are used to provide functionality for Dynamic Host Configuration Protocol (DHCP), Domain Name Services (DNS), E-mail, Firewall/Proxy Server, or Terminal Services. Ineligible uses include Application Server (e.g., providing application software to end users), Database Server, Data Warehouse Server (including storage of non-e-mail end user files), and Archive Server.</p> <p>In addition, the following uses are not eligible: Caching Server and Print Server. In the case of these latter two functions, however, an eligible server may provide these features coincidentally if the principal functionality of the server is for other eligible purposes, and the ineligible features are included as an intrinsic part of the core network operating system.</p> <p>A computer that is used by an end-user, even if the computer is configured to provide server functionality, is not eligible for discount.</p>
Software	<p>Eligible software consists only of operating system software for shared systems and multi-user e-mail or voice mail software. For example, software for a network operating system and a router operating system are eligible. Other types of software, such as all end-user software, are not eligible.</p> <p>Ineligible software includes application software, developmental software, network management software, operating system software for end-user computers, security software, and utility software.</p> <p>The e-mail portion of groupware software is eligible, and cost allocation may be used for discounts on the eligible portion.</p> <p>Ineligible functionality may be included with network operating system software, if such functionality is a standard component part. For example, although a separate</p>

	<p>component for providing a print server functionality is not eligible, such functionality may be provided as a standard component part of a network operating system.</p> <p>A computer operated by an end-user, that is also set up as a network server, is considered an ineligible end-user computer.</p>
Storage	<p>Data storage products are not eligible if used to store the following information: end-user files other than e-mail files, application software, other ineligible software, archival information, and caching files.</p> <p>However, unless excluded in the above list, storage products may be used for network operating system files (when the associated file server is used for an eligible purpose), Domain Name Service (DNS) files, Dynamic Host Configuration Protocol (DHCP) files, Web server software and files (when used for providing information available on the worldwide Internet), and E-mail software and files.</p> <p>Storage devices on end-users computers are not eligible. Devices used to supplement storage requirements of personal computers on a network are not eligible.</p>
Technical Services	<p>Some types of technical services, and their limitations for eligibility, are as follows.</p> <p>DESIGN AND ENGINEERING—Basic design and engineering costs necessary for installation and initial configuration are eligible only if they are coincident (i.e., occur at the same time) with the installation of eligible equipment and services and if part of a contract or bid for those eligible products or services.</p> <p>INSTALLATION—Services tied directly to installation and initial configuration are eligible; services for planning, architecture design, and other activities not tied directly to actual installation and initial configuration are not eligible.</p> <p>MAINTENANCE AND TECHNICAL SUPPORT— For telecommunications and Internet Access services, maintenance and technical support appropriate to maintain reliable operation of these services is eligible for discount when provided as a component of the telecommunications or Internet Access service. For maintenance and technical support of Internal Connections, please see the section of this document entitled "Basic Maintenance of Internal Connections."</p> <p>PROJECT MANAGEMENT—Basic costs associated with the</p>

	<p>management of the installation and initial operation of eligible products and services are eligible only if they are part of a contract or bid for those eligible products and services. Project management costs that involve initial planning are not eligible.</p> <p>TRAINING—On-site training is eligible only if it is basic instruction on the use of eligible equipment, coincident with and directly associated with the installation of such equipment, and a part of the contract or agreement for the equipment. End-user training, such as training of teachers and staff in the use of covered services in their programs of instruction or for professional development, is not eligible for discount.</p> <p>CONSULTING SERVICES—Services that provide general consulting not directly tied to basic installation and configuration of eligible services are not eligible. Such ineligible services, include, but are not limited to, initial planning, network architecture design, development of technology plans, application assistance, and program advice.</p> <p>PERSONNEL COSTS—Labor costs for school and library personnel are not eligible for discount. Costs for contractor personnel to operate components are not eligible.</p>
Telephone Service and Technology Plans	<p>If submitting a Form 471 application ONLY for single line voice services (Local, Cellular/PCS, and/or long distance telephone service), applicants are not required to develop a Technology Plan. Applicants applying for other products or services, including PBX, key system, Centrex system, or similar technology are required to develop a Technology Plan.</p>
Video Components	<p>Video components necessary to transport information all the way to individual classrooms or public areas of a library are eligible. Examples of such components can include an Enhanced Multimedia Interface, Master Control Unit, MPEG video encoder, Multipoint Control Unit, video amplifier, and video channel modulator.</p> <p>End-user video equipment is not eligible for discount. Examples include media retrieval equipment, video monitors, televisions, video cameras, and video recorders and playback devices.</p> <p>Equipment that is used to control the programming, distribution, and selection of video content can be eligible if used in the transport of information to individual classrooms or public areas of a library, however such components are</p>

	<p>not eligible if used in end-user equipment and/or are operated by end-users.</p> <p>Components used for the display or distribution of broadcast and cable television signals are not eligible.</p>
<p>WAN Versus LAN Components</p>	<p>For data and other networks, the distinction between Wide Area Network (WAN) functionality and Local Area Network (LAN) functionality can be essential for selecting the proper <i>Category of Service for funding requests</i>—Telecommunications Services, Internet Access, or Internal Connections. FCC rules establish a rebuttable presumption that a connection does not constitute an Internal Connection if it crosses a <i>public right of way</i>. That is, the Local Area Network is considered to be the part of the network on school or library property, and hence is considered under the eligibility requirements for Internal Connections. The <i>Wide Area Network</i> constitutes the connection that runs from a demarcation point at the school or library property to a point outside of the school or library property (i.e. across a public right of way) and is not funded as Internal Connections.</p> <p>In order to determine what may be properly funded as Internal Connections, a demarcation point between a Wide Area Network service and the Local Area Network components must be established. This approach is described more fully in the web document <u>On-premise Priority 1 Equipment located in the SLD Reference Area of the USAC web site.</u></p>